



**DEFENSE FINANCE AND ACCOUNTING SERVICE**  
**INDIANAPOLIS**  
8899 EAST 56TH STREET  
INDIANAPOLIS, INDIANA 46249



DFAS-P/IN

MAY 22 2003

MEMORANDUM FOR DISTRIBUTION LIST

SUBJECT: Implementation of Mandatory Split Disbursement

The Defense Finance and Accounting Service (DFAS) has prepared draft guidance (attached) to implement mandatory split disbursement. The Bob Stump National Defense Authorization Act for fiscal year 2003 (Public Law 107-314) contains provisions relating to mandatory split disbursement. The Under Secretary of Defense (USD) instructed implementation of this law in his April 23, 2003, memorandum.

The USD memorandum instructs that mandatory split disbursement is effective immediately for military personnel. The memorandum also requests that national unions be notified of the intent to negotiate mandatory split disbursement for civilian personnel. Since default split disbursement has already been negotiated for civilian personnel, the USD requires implementing default split disbursement for civilian employees until the mandatory split disbursement is negotiated. Target implementation date for these procedures is for travel beginning on or after July 1, 2003. Implementation of these provisions raises issues such as increases in returned travel vouchers, union negotiations, and automatic computation and remittance of funds to the travel charge card contractor. Travelers and their travel reviewing officials, supervisors, and approving officers are responsible for accurately reflecting the charges to be disbursed directly to the travel charge card contractor. Because of the broad impact of this initiative DFAS invites your discussion and comments on the draft implementing guidance.

To facilitate this discussion and commentary, we are hosting a one-day conference June 19, 2003, at the DFAS Columbus Conference Center, Columbus, Ohio. Although DFAS does not provide primary travel settlement support for some addressees, your participation is welcome in an effort to facilitate uniform implementation throughout DoD. We request one representative from each Agency, and one from each Army Major Command to attend the conference.

Travelers need to provide their own travel arrangements and funding. The attached draft procedures will be the basis of discussion at the conference. Please provide my point of contact the name, telephone number, and e-mail address of your attendee not later than Thursday, June 12, 2003.

If you have any questions regarding these matters, please contact Sheila Melton, Travel Systems and Procedures Office, 317-510-5372, e-mail [sheila.melton@dfas.mil](mailto:sheila.melton@dfas.mil).

A handwritten signature in black ink, appearing to read "Patrick T. Shine". The signature is fluid and cursive, with the first name "Patrick" being more prominent than the last name "Shine".

Patrick T. Shine  
Director, Military and Civilian Pay Services

Attachment  
As Stated

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Subject: Draft Implementing Procedures for Mandatory Split  
Disbursement and Default Split Disbursement

General Provisions:

1. For Army and Defense Agency travelers, the mandatory and default split disbursement provisions will apply to temporary duty (TDY) travel only, as split disbursement is not available for permanent change of station (PCS) payments.
2. Travel orders must contain the required statements concerning whether or not the traveler has a defense travel card (hereafter referred to as the charge card).
3. Split disbursement is available only when the traveler elects electronic funds transfer (EFT). Split disbursement is available to send funds directly to the defense travel card-issuing company only. Split disbursement is not available to send funds to other charge card companies.
4. Procedures targeted for implementation with travel beginning on or after July 1, 2003.

Part A: Mandatory Split Disbursement:

1. Applies to military travelers.
2. The USD memorandum states "supervisors and travel approving officials shall return any claims that do not accurately reflect the charges to be disbursed directly to the travel card company to the claimant for correction."
3. Reviewers will ensure that block 1 on the DD Form 1351-2 (Travel Voucher and Subvoucher) is completed before signing the DD Form 1351-2. Block 1 must have one of the three blocks checked, and if the split disbursement block is checked, a money amount to accurately reflect the charges on the charge card must also be entered. A voucher is not considered complete and proper unless block 1 is completed. Any entitlements due the traveler in excess of the amount listed to be sent to the card company will be sent to the traveler's EFT account.
4. Travel offices will not accept/process travel settlement vouchers unless block 1 is completed. Travel settlement vouchers received without block 1 information will be returned to the traveler for correction and resubmission (one of the purposes of the conference is to discuss options to reduce/prevent returns).

Part B: Split disbursement for civilian travelers.

1. Mandatory split disbursement for civilian travelers must be bargained with national and local unions. Once bargaining is complete, the same procedures as in Part A above will apply to civilian travelers.
2. Bargaining is complete for default split disbursement. The default split disbursement procedures will be used for civilian employees until the mandatory provisions are bargained.
3. Default split disbursement procedures are:
  - a. Civilian travelers must complete block 1 on the DD Form 1351-2. It is the reviewer's responsibility to ensure this block is completed before they sign as a reviewing official on the travel settlement voucher. Civilians are encouraged to use the split disbursement option to the maximum extent possible.
  - b. If the travel settlement reaches the travel office with a reviewer's signature, but block 1 is blank, the travel office reviews the travel order to determine if the traveler is a charge card holder.
    - (1) If the travel order states that the traveler is a charge card holder, the travel office will add the lodging receipt, the rental car charges, and any air fare claimed, and will send the sum directly to the travel charge card company as a split disbursement. Any excess entitlement will be deposited to the traveler's EFT account.
    - (2) If the travel order states that the traveler is not a charge card holder, the travel payment will be sent to the traveler's EFT account.
    - (3) If the travel order is silent as to whether or not the traveler is a charge card holder, the travel office will not make the travel payment. In this case, the travel office will return the travel settlement to the traveler for completion of block 1. Travel offices will annotate on the return that the Travel and Transportation Reform Act of 1998 requires the orders to state whether or not the traveler is a charge card holder, and that the orders for that particular trip do not contain the necessary information (subject to discussions at the conference.)